

County of Los Angeles CHIEF EXECUTIVE OFFICE

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October 26, 2011

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To:

Mayor Michael D. Antonovich

Supervisor Gloria Molina

Supervisor Mark Ridley-Thomas Supervisor Zev Yaroslavsky Supervisor Don Knabe

From:

William T Fujioka

Chief Executive Officer

WASHINGTON, D.C. UPDATE - PURSUIT OF COUNTY POSITION ON THE ALLOCATION OF SPECTRUM TO THE PUBLIC SAFETY COMMUNITY

This memorandum contains a pursuit of County position to support Federal proposals that would allocate radio spectrum, known as the "D Block," to public safety to facilitate the creation of a nationwide public safety broadband network to support interoperable communications for first responders, and support additional Federal funding that would help improve public safety interoperable communications in the County.

Background and Status

On August 2, 2011, President Obama signed S. 365, the Budget Control Act of 2011 (Public Law 112-25), which increases the Federal debt limit between \$2.1 trillion and \$2.4 trillion, and which would reduce the Federal budget deficit by a like amount over the next 10 years. The bill established a Joint Select Committee on Deficit Reduction that is tasked with the goal of reporting legislation which would reduce the Federal Budget deficit by \$1.5 trillion by the end of FFY 2021. The Joint Select Committee is required to report deficit reduction legislation by November 23, 2011. Both houses of Congress are required to expedite the consideration of the legislation and hold up-or-down floor votes without amendments by December 23, 2011.

The Joint Select Committee on Deficit Reduction, which is chaired by Senator Murray (D-WA) and Representative Hensarling (R-TX), consists of 12 members total including Representative Becerra (D-CA). On October 14, 2011, Congressional Committee

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Chairs and Ranking Minority Members submitted recommendations to the Joint Select Committee on a wide range of issues. Senators Rockefeller (D-WV) and Hutchison (R-TX) of the Senate Commerce Committee and Representative Waxman (D-CA) of the House Energy and Commerce Committee all advocated an auction of spectrum to raise revenues to reduce the deficit and help finance a public safety interoperable communications system. In addition, each of these members supported the reallocation of the D Block to public safety. Earlier this year, the Senate Commerce Committee, in a bipartisan vote, approved S. 911, which is spectrum legislation that would auction additional spectrum and reallocate the D Block to the public safety community, among other provisions. S. 911 is supported by the Los Angeles Regional Interoperable Communications System (LA-RICS) Authority and the public safety community in general. The Senate has not yet considered this bill.

As previously reported to your Board, President Obama also supports auctioning additional spectrum as well as assigning the D Block to public safety. In September 2011, the President released his jobs plan, the American Jobs Act (AJA), which includes \$7.0 billion to help build and operate a nationwide public safety broadband network. Similar to S. 911, the AJA would allocate the D Block for use by first responders and other public safety uses, and would establish a Public Safety Broadband Corporation to promote the construction and development of a nationwide public safety network, and grant the Corporation the license for the D Block spectrum.

Legislative Outlook

Although there is increasing support for the allocation of spectrum to public safety, this is only one component of a much larger package that would be considered by the Joint Select Committee on Deficit Reduction regarding the auction of spectrum to raise revenues.

The primary fiscal issues relating to the spectrum include how much and which spectrum, including the D Block, should be auctioned; how much of the revenue from the spectrum auction should be used to reduce the deficit as opposed to financing increased spending on interoperable communications and/or other uses. For example, the Congressional Budget Office (CBO) scored that the AJA would raise \$27.71 billion in spectrum auction revenue over 10 years, but reduce the deficit by less than \$15.8 billion because it also would use part of the auction revenue on improving interoperable communications and other uses. In comparison, CBO scored S. 911 as decreasing the Federal deficit by only \$6.465 billion, largely because more of the auction revenue would be used to finance increased spending. The CBO also estimated that to reallocate the D Block to public safety, in lieu of auctioning the D Block, it would cost the Federal government \$2.75 billion in lost revenue.

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It is also important to note that there still remain significant differences among House members on this issue, with Republicans generally favoring a traditional auction of the D Block and Democrats favoring the use of the D Block for a public safety network. Furthermore, if the Joint Select Committee decides to adopt the approach used in S. 911 to allocate the D Block to public safety, it will take time to establish a new Corporation responsible for building, deploying and operating a nationwide public safety interoperable broadband network.

LA-RICS Advocacy Position

On October 6, 2011, the LA-RICS Authority Board of Directors approved a motion to authorize the Authority's Executive Director to disseminate to Congress and the Deficit Reduction Committee the LA-RICS position in support of allocating the D Block to public safety to allow those entities to build regional communications systems for first responders. According to the LA-RICS Authority, the D Block is the only unencumbered portion of spectrum remaining in the 700 MHz band and allocating the D Block to public safety will allow for a nationwide interoperable broadband network on a contiguous 20 MHz spectrum swath. Furthermore, the Authority indicates that once the technology becomes available, the 20 MHz network will have the capacity necessary to transmit mission-critical, real-time high resolution video, voice and data during an emergency where the capacity demand is highest.

The LA-RICS Authority, established in 2009, is a collaborative effort which includes law enforcement, fire service, and health service professionals, and would serve over 34,000 first responders in the Los Angeles region through voice and data communication systems. The need is especially great in the Los Angeles region to connect over 50 law enforcement agencies and 31 fire departments that serve a 4,084 square mile region with 10 million County residents.

The Authority has been allocated Federal grants relating to the LA-RICS project, and to date, over \$270.0 million in Federal grants have been budgeted for the project. Last year, the United States Department of Commerce awarded the Authority a Broadband Technology Opportunities Program (BTOP) grant of \$154.6 million to cover the infrastructure costs in deploying a broadband public safety network for the project. This particular part of the project is estimated to generate 2,181 jobs, including jobs produced indirectly from the project. In addition, the project would create a large, new market for public safety broadband software applications, which could result in substantial innovation and additional jobs that have not been quantified.

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Pursuit of County Position

The County's Federal Legislative Agenda includes policies supporting proposals which would assign additional radio spectrum to public safety agencies, and policy supporting proposals and funding that would enable County public safety agencies to upgrade their communications systems, utilize additional radio spectrum, implement or expand interoperable communications systems, use new communications technologies, and meet increasingly complex communications requirements. Therefore, the County's Washington, D.C. advocates will support Federal proposals that would allocate the D Block to public safety to facilitate the creation of a nationwide public safety broadband network to support interoperable communications for first responders, and support additional Federal funding that would help improve public safety interoperable communications in the County, including by allocating a portion of spectrum auction revenue to LA-RICS.

We will continue to keep you advised.

WTF:RA MR:OR:MT:sb

c: All Department Heads Legislative Strategist